History of Immigration to Texas

• For most of its history, Texas has attracted settlers from the rest of the nation rather than abroad
  – Mexican immigrants did not begin to settle permanently until late 1970s and 1980s

• Texas’ immigrant share of the population didn’t surpass that of nation until late 1980s
  – Immigration in 1980s was dominated by low-skilled workers

• Oil bust provided impetus for the diversification of Texas’ economy
  – 1990s Texas attracted high-skilled immigrants
Large-Scale Immigration to Texas Is a Recent Phenomenon
Foreign-Born Population Share by Decade

Job growth by wage quartile and decade

Texas Metros Become Global Destinations

Foreign-Born Population Share

Percent

El Paso
Houston
Dallas-Ft. Worth
Austin
San Antonio

A Portrait of Texas Immigrants Today
Characteristics of Texas Immigrants

• Majority is from Mexico, followed by Asia and the rest of Latin America
  – Came to the U.S. more recently than in the rest of the nation
  – Likely to live in urban areas, especially Austin, DFW, and Houston

• Much more likely than U.S. natives to be in their prime working years

• Concentrated at the top and especially at the bottom of the education distribution
  – Texas immigrants lag the nation’s in schooling

• Higher employment rates than immigrants in the rest of the nation
  – In some cases, they even out earn immigrations in the rest of the U.S.
  – Work disproportionately in “STEM” occupations as well as labor-intensive occupations such as construction and farm work
Where Are They From?
Origins of Texas and U.S. Immigrants

Texas Immigrants Are Concentrated in Urban Areas and Along Border
Foreign-Born Population Share, by County

Immigrants Tend to Be of Working Age

Age Profile of Immigrants vs. Natives in Texas

Educational Attainment of Immigrants and Natives Inside and Outside Texas

## Texas Immigrants Do Well in the Labor Market

### Labor Force Participation Rate

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Texas Immigrants (percent)</th>
<th>Texas U.S. natives (percent)</th>
<th>Rest of U.S. Immigrants (percent)</th>
<th>Rest of U.S. U.S. natives (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school credential</td>
<td>64.8</td>
<td>43.2</td>
<td>59.2</td>
<td>35.6</td>
</tr>
<tr>
<td>High School credential</td>
<td>67.2</td>
<td>64.1</td>
<td>65.9</td>
<td>58.0</td>
</tr>
<tr>
<td>Some college</td>
<td>75.4</td>
<td>69.8</td>
<td>71.0</td>
<td>68.5</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>72.5</td>
<td>77.4</td>
<td>72.5</td>
<td>76.1</td>
</tr>
<tr>
<td>Graduate/professional degree</td>
<td>84.3</td>
<td>77.1</td>
<td>78.8</td>
<td>75.7</td>
</tr>
</tbody>
</table>

NOTE: Calculated for the population over age 24.

## Texas Immigrants Do Well in the Labor Market
### Unemployment Rate

<table>
<thead>
<tr>
<th></th>
<th>Texas</th>
<th>Rest of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Immigrants</td>
<td>U.S. natives</td>
</tr>
<tr>
<td></td>
<td>(percent)</td>
<td>(percent)</td>
</tr>
<tr>
<td>Less than high school credential</td>
<td>6.8</td>
<td>12.3</td>
</tr>
<tr>
<td>High School credential</td>
<td>6.9</td>
<td>6.0</td>
</tr>
<tr>
<td>Some college</td>
<td>4.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>5.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Graduate/professional degree</td>
<td>2.1</td>
<td>1.9</td>
</tr>
</tbody>
</table>

NOTE: Calculated for the population over age 24.
# Low- and High-Skilled Immigrants Earn as Much or More in Texas

## Median Weekly Earnings

<table>
<thead>
<tr>
<th></th>
<th>Texas Immigrants</th>
<th>Texas U.S. natives</th>
<th>Rest of U.S. Immigrants</th>
<th>Rest of U.S. U.S. natives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school credential</td>
<td>$401</td>
<td>$423</td>
<td>$399</td>
<td>$439</td>
</tr>
<tr>
<td>High school credential</td>
<td>$460</td>
<td>$600</td>
<td>$499</td>
<td>$599</td>
</tr>
<tr>
<td>Some college</td>
<td>$514</td>
<td>$685</td>
<td>$601</td>
<td>$682</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>$857</td>
<td>$997</td>
<td>$942</td>
<td>$997</td>
</tr>
<tr>
<td>Graduate/professional degree</td>
<td>$1,435</td>
<td>$1,180</td>
<td>$1,342</td>
<td>$1,265</td>
</tr>
<tr>
<td>All groups</td>
<td>$496</td>
<td>$757</td>
<td>$597</td>
<td>$767</td>
</tr>
<tr>
<td>All groups (including ages 16-24)</td>
<td>$481</td>
<td>$677</td>
<td>$567</td>
<td>$678</td>
</tr>
</tbody>
</table>

**NOTE:** Median weekly earnings are deflated using the monthly CPI-W (December 2012=100) and are conditional on being employed, over age 24, with positive earnings.

Low-Skilled Immigrants Concentrated in Services, Construction and Ag Jobs

Note: Percentage of foreign-born Texas workers over age 24 with less than high school education for selected occupations.
Source: 2009-11 American Community Survey three-year estimates.
High-Skilled Immigrants Fill STEM Jobs

Note: Percentage of foreign-born Texas workers over age 24 with college education or higher for selected occupations.
Source: 2009-11 American Community Survey three-year estimates.
Illegal Immigration to Texas
Illegal Immigrants in Texas

• ‘Americans’ were the first illegal immigrants to Texas
  – In the early 20th century: Chinese and Europeans
  – Mexicans were exempt from the quotas and tests, in high demand

• The Bracero Program was created in 1942 to allow Mexican workers to take temporary agricultural jobs
  – Texas was originally excluded, leading to illegal immigration
  – No law against hiring unauthorized workers

• Today, 1.8 million unauthorized immigrants live in Texas
  – 43 percent of the foreign-born population

• Public and political attitudes towards unauthorized immigrants are more moderate in Texas than in other states
Economic Effects of Immigration
Economic Effects

• Immigration increases the labor force, especially as U.S. native population ages more rapidly

• Native population benefits through lower prices of immigrant-produced goods and services, higher returns on capital and land

• Increased specialization leads to higher productivity

• Texas immigrants’ success does not appear to have come at natives’ expense
  – Migration endogenous to growth, relieved bottlenecks and accompanied by capital inflows
Challenges Posed by Immigration
Challenges Posed by Immigration

• Immigrants more likely than natives to be poor, and the gap is larger in Texas
  – However, poverty measures do not take into account Texas’ lower costs of living
• Fewer immigrants in Texas report speaking English well than in the rest of the nation
• Some fiscal costs for state and local government, such as public education
  – Texas’ tax system reduces these costs, since all workers pay taxes on retail sales and on property
• Immigrants in Texas have slightly higher participation in TANF, SNAP, SSI and Medicaid
  – Much less likely to have health coverage
Immigrant Poverty Rates Higher in Texas

Poverty Rates by Nativity

Immigrant Welfare Participation Slightly Higher in Texas

Immigrant-Headed Households vs. U.S. Native-Headed Households

Immigrant’s Health Insurance Coverage Much Lower in Texas

<table>
<thead>
<tr>
<th></th>
<th>Texas</th>
<th>REST OF U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrants</td>
<td>50% Any</td>
<td>70% Any</td>
</tr>
<tr>
<td></td>
<td>20% Public</td>
<td>30% Public</td>
</tr>
<tr>
<td></td>
<td>30% Private</td>
<td>40% Private</td>
</tr>
<tr>
<td>U.S. Natives</td>
<td>80% Any</td>
<td>80% Any</td>
</tr>
<tr>
<td></td>
<td>50% Public</td>
<td>50% Public</td>
</tr>
<tr>
<td></td>
<td>30% Private</td>
<td>30% Private</td>
</tr>
</tbody>
</table>

Domestic Migration
Migration from Other States

• Texas has been the top destination for domestic migrants since 2006.
  – Increased dramatically in the wake of Hurricane Katrina, began to outnumber international migration

• Skewed to high-skilled labor
  – Migrants from other states are more likely than the Texas population to have a bachelor’s, graduate, or professional degree

• Almost a quarter of domestic migrants come from California
  – Texas has lost residents on net to only 10 states since 2005, mainly other “energy” states
Texas Is Top Destination for Domestic Migrants Since 2006

Net migration to Texas (thousands)

SOURCE: U.S. Census Bureau.
NOTES: Census Bureau population estimates approximate the population on July 1 of the year indicated and thus capture changes from the previous year. Data are not available for decennial census years.
New Arrivals a Key Source of Skilled Workers

Educational Attainment of New Arrivals

NOTE: Calculations include individuals over age 24.
SOURCE: 2010-2012 American Community Survey three-year estimates.
California is Top Sending State for Migration to Texas

California: 23%
Florida: 9%
New York: 7%
Illinois: 6%
Michigan: 4%
Alaska: 4%
Arizona: 4%
New Jersey: 4%
Tennessee: 3%
North Carolina: 3%
Other: 33%

SOURCE: 2006-12 American Community Survey.
What Texas Has Learned
Lessons from Decades of Immigration

• Texas economy has inherent strengths, such as natural resources, that set it apart
  – Booms and busts of energy sector necessitate diversification
• People relocate to Texas due to abundant job opportunities, low cost of living, and relatively low tax burden
• Low-skilled workers come to Texas despite skimpy safety net and lower levels of public services
• Rapid economic growth generates labor inflow, and policy that does not take into account both supply and demand factors may become irrelevant
Gone to Texas

Immigration and the Transformation of the Texas Economy
Texas Immigrants Do Well in the Labor Market

Employment-to-population rate

<table>
<thead>
<tr>
<th></th>
<th>Texas Immigrants (percent)</th>
<th>Texas U.S. natives (percent)</th>
<th>Rest of U.S. Immigrants (percent)</th>
<th>Rest of U.S. U.S. natives (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school credential</td>
<td>60.4</td>
<td>37.9</td>
<td>53.4</td>
<td>30.1</td>
</tr>
<tr>
<td>High School credential</td>
<td>62.6</td>
<td>60.3</td>
<td>60.8</td>
<td>53.2</td>
</tr>
<tr>
<td>Some college</td>
<td>71.9</td>
<td>66.0</td>
<td>65.3</td>
<td>63.7</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>68.4</td>
<td>75.0</td>
<td>68.0</td>
<td>72.9</td>
</tr>
<tr>
<td>Graduate/professional degree</td>
<td>82.6</td>
<td>75.7</td>
<td>75.6</td>
<td>73.4</td>
</tr>
</tbody>
</table>

NOTE: Calculated for the population over age 24.
Immigration to Texas Got a Late Start

Arrival Dates of Immigrants

<table>
<thead>
<tr>
<th>Period</th>
<th>TX</th>
<th>Rest of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since 2000</td>
<td>36</td>
<td>34</td>
</tr>
<tr>
<td>1990's</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>1980's</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>1970's</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Before 1970</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

Immigrant’s English Proficiency Lower in Texas

Does Not Speak English
Speaks English, Not Well
Speaks English Well
Speaks English Very Well
Speaks Only English

Texas
Rest of U.S.

Percent

NOTE: Calculations include workers over age 15 with positive wages. Quartiles based on Texas wage distribution in the 1980 decennial census, which refers to 1979 wages.
NOTE: Calculations include workers over age 15 with positive wages. Quartiles based on U.S. wage distribution in the 1980 decennial census, which refers to 1979 wages.